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15 February 1983

MEMORANDUM FOR: Deputy Director for Intelligence

FROM: Director of Central Intelligence

SUBJECT: The Economic Problems of Soviet Client States

This Assessment on The Economic Problems of Soviet Client States seems to rather understate their problems and the degree to which they depend on Soviet support. In reading the piece, "Cuba: Domestic Economic Failures" you don't learn anything until you plow through a recitation of Cuba's social gains, the lustre of which you do not find faded until you reach the last paragraph. Even then the conclusion that the export of specified skills confirms Cuba's reputation for social and managerial achievements. I think all this is worthy of analysis but the assessment is entitled, "The Economic Problems of Soviet Client States".

When I finished reading the whole thing the only number I see is $1.1 billion per year said to reflect the "slight" overall burden on the Soviet economy of assistance to Cuba. Yet, I read in the attached memorandum of 26 August 1982 on the cost of Soviet aid to Communist countries that the annual cost of economic and military assistance to Cuba in 1980 was over $3 billion and I believe the increased level of military assistance has pushed it closer to $4 billion.

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